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AWARDS

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2020 BEST PRACTICES AWARD

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**2020 GLOBAL BUSINESS VIDEO CONFERENCING
ENTREPRENEURIAL COMPANY OF THE YEAR AWARD**

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Background and Company Performance

Industry Challenges

The accelerated speed and globalization of business, and rapidly shifting customer demands are compelling organizations of all sizes, industries and regions to seek technology solutions that can make them more agile and responsive to constant change. Rich-media conferencing services are increasingly perceived as a remedy for these challenges.

A 2019 global Frost & Sullivan survey of 1,067 IT decision-makers found that adoption of various video conferencing solutions are on the rise:

- 68% use desktop web and video conferencing solutions today and 28% expect to invest in the next two years;
- 71% have adopted conference room-based video conferencing and 25% expect to adopt in the next two years;
- 57% have implemented huddle room-based video conferencing and 37% will invest in by 2022.

Yet, adoption and usage do not come without challenges. Many end-user organizations have existing investments to leverage and others prefer best-of-breed solutions. These demands often create integration issues among legacy, current and next-generation components with regard to proprietary and industry-standard protocol support, interfaces, security, management and other mechanisms.

Deployment and consumption preferences are evolving as well. Many end-user organizations are looking to cloud services-based video conferencing to avoid the large initial upfront investment required in CAPEX scenarios. On the other hand, other organizations require the superior security, control and customization of dedicated cloud or premises-based deployments. Provider deployment models vary as well. Certain providers that are seeking new revenue streams by offering cloud services prefer to host their own infrastructure and others prefer to leverage third-party hosting services.

Success in a fast-growing market in which trends change rapidly requires a nimble and flexible strategy. Customers and partners demand solutions tailored specifically to meet their own needs. As a result, providers typically rise to leadership when they present powerful, flexible solutions that can be tailored to address diverse needs without compromise. Such providers are often founded, rather than retrofit, to meet the current demands of customers and partners while leading them toward ever-more advanced capabilities. It is these qualities that are engrained in a disruptive provider's DNA and make for an attractive partner to entrust with mission-critical communications functionality. Such providers often possess the foresight to effectively envision and innovate on emerging requirements and, therefore, can sustain success in fiercely competitive markets.

Entrepreneurial Innovation and Customer Impact

In the intensely competitive and fast-growing enterprise video conferencing market, flexibility and innovation are critical for provider success. Pexip has become a competitor to emulate due to its: disruption of the market; competitive differentiation; ability to address market gaps; passionate persistence; and growing brand equity.

Market Disruption

The early 2019 merger of Pexip (founded in 2012) specializing in video infrastructure, and cloud video conferencing services provider, Videxio (founded in 2011), created the disruptive competitor known today as Pexip. Prior to the merger, the respective companies shared a common vision of breaking down the cost, complexity and interoperability barriers that have impeded the effectiveness of so many enterprise video conferencing solutions. Today, Pexip is leveraging the greater resources of the merged company to upend the status quo that has limited customer options.

Pexip is leading the charge to offer greater customer choice compared to the past.

- Video system device registration, meetings and calling are all available directly from Pexip or from its partners, as well as in a self-hosted CAPEX deployment model for customers who prefer or require it.
- Pexip empowers customers to implement endpoints of their choice by facilitating compatibility and interoperability across technologies, such as H.323 and SIP, as well as interpretations of those and other industry standards employed by different vendors, such as Cisco, Poly, Yealink and others.
- Pexip breaks silos by enabling users of different video conferencing services to join meetings together. The company offers interoperability services that allow Pexip, Microsoft Teams and Skype for Business, Google Hangouts Meet and other service users to join sessions together.

With its technological capabilities and success, Pexip is influencing the market of largely closed video conferencing solutions to open up in more meaningful ways. This is evident in several highly publicized interoperability announcements from Cisco, Microsoft, BlueJeans, Poly and other competitors in the last two years.

Competitive Differentiation

Pexip regularly demonstrates deep understanding of both current and emerging competition to create and communicate strong competitive differentiators in the market.

The company is uniquely positioned with its range of deployment models. Pexip Infinity software-based infrastructure can be deployed on-premises, in data centers as a private self-hosted solution (in Amazon, Google, Microsoft or other cloud environments), or as a service. The shared cloud service is hosted in more than 15 data centres around the world, interconnected with a quality-assured backbone to ensure the best possible video experience. In addition, partner providers can offer video conferencing as a service (VCaaS) to end-user organizations.

In addition to support for a wide array of deployment options and video conferencing endpoints, Pexip differentiates through its gateway interoperability services which allow Pexip, Google Hangouts Meet and Microsoft meetings services (Teams and Skype for Business) users to all join the same calls, thus broadening the collaboration capabilities of Pexip customers.

With its deployment and consumption flexibility, Pexip is virtually unmatched in the enterprise video conferencing market.

Market Gaps

Pexip executes on a clear vision of customers' desired outcomes, the products that currently help them achieve those outcomes, and where gaps exist. Not only does the company allow customers to prolong the use of their video—conferencing investments as well as break the silos of otherwise discrete services—it also offers opportunities for customers to implement video conferencing services that are tailored to their specific needs.

Unlike the vast majority of its competitors, Pexip is acting to address the distinct needs of different customer segments. SMBs may subscribe to Pexip services delivered from public clouds to cost-effectively leverage robust video conferencing functionality. Enterprises and government agencies may implement Pexip as a self-hosted application to maintain control over manageability and where their data resides, and thus benefit from customization through integration with existing video conferencing and IT investments. Customers using the self-hosted application can also implement their own custom branding and workflows to provide a seamless experience for their users.

Pexip is leading customers forward by delivering new ways to efficiently implement software-based, cloud-first video conferencing solutions.

Passionate Persistence

Prior to the merger in January 2019, leaders of the previous Pexip and Videxio entities recognized they could achieve more through the scale and comprehensive video conferencing portfolio that would result from their combination. They were correct.

Pexip today is growing rapidly and is adding headcount to keep pace with demand, growing by roughly 30 percent in 2019.

Just three quarters after the merger closed, in Q3 2019, Pexip offered numerous proof points of its success.

In Q3 2019 the company:

- Experienced its best quarter ever with net sales twice those of Q3 2018
- Achieved its best-ever new sales of Self-hosted Infinity platform with 50 percent more than Q3 2018
- Generated its best-ever Q3 pure cloud Service performance with three times greater sales than Q3 2018

Frost & Sullivan research shows that Pexip and Videxio together outperformed the global video conferencing services market in 2018 with 22.4 percent growth, compared to the 11.4 percent growth for the overall market. As a result of passionate persistence the combined company is very well positioned to continue this success.

Customer Ownership Experience

Thanks to Pexip customers and video conferencing service providers have more options with respect to their video conferencing technology roadmaps. They can deploy and consume video conferencing in a manner best fit for their needs as well as rely on Pexip to continue its innovations and add more value to their investments in the future.

Specifically to innovation and added value, a focus on ease of use or the user experience (UX) is increasing as enterprise decision makers and their users become more experienced with video conferencing. In this area Pexip consistently proves to be aligned with customer needs. The company's portfolio was assembled with the future in mind. For example, the provider is a forerunner in user choice in video conferencing endpoints, supporting WebRTC before many competitors—in addition to desktop and mobile soft clients, browser access and purpose-built hardware endpoints—to accommodate various preferences, work styles, use cases and budgets. The company designed its Infinity platform on a software foundation, which allows for the unmatched deployment flexibility available today that customers and partners are benefiting from. In addition, Pexip interoperability services open a wealth of new collaboration capabilities that make it easier for customers and partners to feel confident about the viability of their investments in Pexip and other popular video conferencing solutions.

With its proven track record of recognizing shifting customer needs and innovating to address them, Pexip has earned its customers' and partners' trust in its ability to continually add value to their investments.

Brand Equity

Customers and partners demand high levels of stability, innovation and performance from their mission-critical communications technology providers. Pexip continues to be exemplary in all three facets. Accordingly, Pexip is finding success across end-user organizations of all regions, sizes and numerous industries. The company's client roster is a who's who of both household and lesser-known names, including roughly 15 percent of the Fortune Global 500 companies. Pexip is also winning customer satisfaction and loyalty as evidenced in its reported 99 percent retention rate for its base of 3,500 customers and users in 190 countries. Pexip is able to maintain its performance as the company reports impressive above-average growth rates over the past several years.

Conclusion

To the benefit of customers of all types, Pexip has dramatically reshaped the deployment and consumption models for robust video conferencing functionality.

For its strong overall performance, Pexip is recognized with Frost & Sullivan's 2020 Entrepreneurial Company of the Year Award.

Significance of Entrepreneurial Leadership

Ultimately, growth in any organization depends on customers purchasing from a company and then making the decision to return time and again. In a sense, then, everything is truly about the customer. Making customers happy is the cornerstone of any successful long-term innovation or growth strategy. To achieve the dual goals of customer engagement and growth, an organization must be best in class in 3 key areas: understanding demand, nurturing the brand, and differentiating from competition.



Understanding Entrepreneurial Leadership

Demand forecasting, branding, and differentiation underpin an entrepreneurial company's journey toward forming deep relationships with customers and permanently altering the market with their actions. Entrepreneurial Innovation and Customer Impact are the cornerstones of this award, as discussed further in the next section.

Key Benchmarking Criteria

For the Entrepreneurial Company of the Year Award, Frost & Sullivan analysts independently evaluated Entrepreneurial Innovation and Customer Impact according to the criteria identified below.

Entrepreneurial Innovation

Criterion 1: Market Disruption

Requirement: Innovative solutions that have genuine potential to disrupt the market, making current solutions obsolete and shaking up competition.

Criterion 2: Competitive Differentiation

Requirement: Deep understanding of both current and emerging competition to create and communicate strong competitive differentiators in the market.

Criterion 3: Market Gaps

Requirement: A clear understanding of customers' desired outcomes, the products that currently help them achieve those outcomes, and where gaps exist.

Criterion 4: Blue Ocean Strategy

Requirement: Strategic focus on creating a leadership position in a potentially uncontested market space, manifested by stiff barriers to entry for competitors.

Criterion 5: Passionate Persistence

Requirement: A deep belief in the rightness of an idea and a commitment to pursuing it despite seemingly insurmountable obstacles.

Customer Impact

Criterion 1: Price/Performance Value

Requirement: Products or services offer the best value for the price, compared to similar offerings in the market.

Criterion 2: Customer Purchase Experience

Requirement: Customers feel they are buying the optimal solution that addresses both their unique needs and their unique constraints.

Criterion 3: Customer Ownership Experience

Requirement: Customers are proud to own the company's product or service and have a positive experience throughout the life of the product or service.

Criterion 4: Customer Service Experience

Requirement: Customer service is accessible, fast, stress-free, and of high quality.

Criterion 5: Brand Equity

Requirement: Customers have a positive view of the brand and exhibit high brand loyalty.

Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Frost & Sullivan analysts follow a 10-step process to evaluate award candidates and assess their fit with select best practice criteria. The reputation and integrity of the awards are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 Monitor, target, and screen	Identify award recipient candidates from around the world	<ul style="list-style-type: none"> • Conduct in-depth industry research • Identify emerging industries • Scan multiple regions 	Pipeline of candidates that potentially meet all best practices criteria
2 Perform 360-degree research	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> • Interview thought leaders and industry practitioners • Assess candidates' fit with best practices criteria • Rank all candidates 	Matrix positioning of all candidates' performance relative to one another
3 Invite thought leadership in best practices	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> • Confirm best practices criteria • Examine eligibility of all candidates • Identify any information gaps 	Detailed profiles of all ranked candidates
4 Initiate research director review	Conduct an unbiased evaluation of all candidate profiles	<ul style="list-style-type: none"> • Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles 	Final prioritization of all eligible candidates and companion best practices positioning paper
5 Assemble panel of industry experts	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> • Share findings • Strengthen cases for candidate eligibility • Prioritize candidates 	Refined list of prioritized award candidates
6 Conduct global industry review	Build consensus on award candidates' eligibility	<ul style="list-style-type: none"> • Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates 	Final list of eligible award candidates, representing success stories worldwide
7 Perform quality check	Develop official award consideration materials	<ul style="list-style-type: none"> • Perform final performance benchmarking activities • Write nominations • Perform quality review 	High-quality, accurate, and creative presentation of nominees' successes
8 Reconnect with panel of industry experts	Finalize the selection of the best practices award recipient	<ul style="list-style-type: none"> • Review analysis with panel • Build consensus • Select recipient 	Decision on which company performs best against all best practices criteria
9 Communicate recognition	Inform award recipient of recognition	<ul style="list-style-type: none"> • Present award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance 	Announcement of award and plan for how recipient can use the award to enhance the brand
10 Take strategic action	Upon licensing, company is able to share award news with stakeholders and customers	<ul style="list-style-type: none"> • Coordinate media outreach • Design a marketing plan • Assess award's role in strategic planning 	Widespread awareness of recipient's award status among investors, media personnel, and employees

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of the research process. It offers a 360-degree view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often companies make important growth decisions based on a narrow understanding of their environment, resulting in errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry participants and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, helps clients accelerate growth and achieve best-in-class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's growth team with disciplined research and best practices models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages nearly 60 years of experience in partnering with Global 1000 companies, emerging businesses, and the investment community from 45 offices on 6 continents. To join Frost & Sullivan's Growth Partnership, visit <http://www.frost.com>.